

Minerals Management Service, Interior

§ 250.186

Supervisor disapproves the plan according to the regulations in 30 CFR part 250, subpart B. Following the disapproval:

(1) MMS will allow you to hold the lease for 5 years, or less time at your request;

(2) Any time within 5 years after the disapproval, you may reapply for approval of the same or a modified plan; and

(3) The Regional Supervisor will approve, disapprove, or require modification of the plan under 30 CFR part 250, subpart B.

(b) If the Regional Supervisor has not approved a DPP or required you to submit a DPP for approval or modification, the Secretary will cancel the lease:

(1) When the 5-year period in paragraph (a)(1) of this section expires; or

(2) If you request cancellation at an earlier time.

§ 250.184 What is the amount of compensation for lease cancellation?

When the Secretary cancels a lease under §§ 250.181, 250.182 or 250.183 of this subpart, you are entitled to receive compensation under 43 U.S.C. 1334 (a)(2)(C). You must show the Director that the amount of compensation claimed is the lesser of paragraph (a) or (b) of this section:

(a) The fair value of the cancelled rights as of the date of cancellation, taking into account both:

(1) Anticipated revenues from the lease; and

(2) Costs reasonably anticipated on the lease, including:

(i) Costs of compliance with all applicable regulations and operating orders; and

(ii) Liability for cleanup costs or damages, or both, in the case of an oil spill.

(b) The excess, if any, over your revenues from the lease (plus interest thereon from the date of receipt to date of reimbursement) of:

(1) All consideration paid for the lease (plus interest from the date of payment to the date of reimbursement); and

(2) All your direct expenditures (plus interest from the date of payment to the date of reimbursement);

(i) After the issue date of the lease; and

(ii) For exploration or development, or both.

(c) Compensation for leases issued before September 18, 1978, will be equal to the amount specified in paragraph (a) of this section.

§ 250.185 When is there no compensation for a lease cancellation?

You will not receive compensation from MMS for lease cancellation if:

(a) MMS disapproves a DPP because you do not receive concurrence by the State under section 307(c)(3)(B) (i) or (ii) of the CZMA, and the Secretary of Commerce does not make the finding authorized by section 307(c)(3)(B)(iii) of the CZMA;

(b) You do not submit a DPP under 30 CFR part 250, subpart B or do not comply with the approved DPP;

(c) As the lessee of a nonproducing lease, you fail to comply with the Act, the lease, or the regulations issued under the Act, and the default continues for 30 days after MMS mails you a notice by overnight mail;

(d) The Regional Supervisor disapproves a DPP because you fail to comply with the requirements of applicable Federal law; or

(e) The Secretary forfeits and cancels a producing lease under section 5(d) of the Act (43 U.S.C. 1334(d)).

INFORMATION AND REPORTING REQUIREMENTS

§ 250.186 What reporting information and report forms must I submit?

(a) You must submit information and reports as MMS requires.

(1) You may obtain copies of forms from, and submit completed forms to, the District Manager or Regional Supervisor.

(2) Instead of paper copies of forms available from the District Manager or Regional Supervisor, you may use your own computer-generated forms that are equal in size to MMS's forms. You must arrange the data on your form identical to the MMS form. If you generate your own form and it omits terms and conditions contained on the official MMS form, we will consider it to contain the omitted terms and conditions.

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(3) You may submit digital data when the Region/District is equipped to accept it.

(b) When MMS specifies, you must include, for public information, an additional copy of such reports.

(1) You must mark it *Public Information*.

(2) You must include all required information, except information exempt from public disclosure under § 250.197 or otherwise exempt from public disclosure under law or regulation.

[64 FR 72775, Dec. 28, 1999. Redesignated at 71 FR 19644, Apr. 17, 2006, as amended at 72 FR 25200, May 4, 2007]

§ 250.187 What are MMS' incident reporting requirements?

(a) You must report all incidents listed in § 250.188(a) and (b) to the District Manager. The specific reporting requirements for these incidents are contained in §§ 250.189 and 250.190.

(b) These reporting requirements apply to incidents that occur on the area covered by your lease, right-of-use and easement, pipeline right-of-way, or other permit issued by MMS, and that are related to operations resulting from the exercise of your rights under your lease, right-of-use and easement, pipeline right-of-way, or permit.

(c) Nothing in this subpart relieves you from making notifications and reports of incidents that may be required by other regulatory agencies.

(d) You must report all spills of oil or other liquid pollutants in accordance with 30 CFR 254.46.

[71 FR 19644, Apr. 17, 2006]

§ 250.188 What incidents must I report to MMS and when must I report them?

(a) You must report the following incidents to the District Manager immediately via oral communication, and provide a written follow-up report (hard copy or electronically transmitted) within 15 calendar days after the incident:

(1) All fatalities.

(2) All injuries that require the evacuation of the injured person(s) from the facility to shore or to another offshore facility.

(3) All losses of well control. "Loss of well control" means:

(i) Uncontrolled flow of formation or other fluids. The flow may be to an exposed formation (an underground blow-out) or at the surface (a surface blow-out);

(ii) Flow through a diverter; or

(iii) Uncontrolled flow resulting from a failure of surface equipment or procedures.

(4) All fires and explosions.

(5) All reportable releases of hydrogen sulfide (H₂S) gas, as defined in § 250.490(l).

(6) All collisions that result in property or equipment damage greater than \$25,000. "Collision" means the act of a moving vessel (including an aircraft) striking another vessel, or striking a stationary vessel or object (e.g., a boat striking a drilling rig or platform). "Property or equipment damage" means the cost of labor and material to restore all affected items to their condition before the damage, including, but not limited to, the OCS facility, a vessel, helicopter, or equipment. It does not include the cost of salvage, cleaning, gas-freeing, dry docking, or demurrage.

(7) All incidents involving structural damage to an OCS facility. "Structural damage" means damage severe enough so that operations on the facility cannot continue until repairs are made.

(8) All incidents involving crane or personnel/material handling operations.

(9) All incidents that damage or disable safety systems or equipment (including firefighting systems).

(b) You must provide a written report of the following incidents to the District Manager within 15 calendar days after the incident:

(1) Any injuries that result in one or more days away from work or one or more days on restricted work or job transfer. One or more days means the injured person was not able to return to work or to all of their normal duties the day after the injury occurred;

(2) All gas releases that initiate equipment or process shutdown;

(3) All incidents that require operations personnel on the facility to muster for evacuation for reasons not related to weather or drills;

(4) All other incidents, not listed in paragraph (a) of this section, resulting